



General Assembly

January Session, 2007

Amendment

LCO No. 7382

SB0014607382SR0

Offered by:

SEN. CALIGIURI, 16th Dist.
SEN. CAPIELLO, 24th Dist.
SEN. DEBICELLA, 21st Dist.
SEN. DELUCA, 32nd Dist.
SEN. FASANO, 34th Dist.
SEN. FREEDMAN, 26th Dist.

SEN. GUGLIELMO, 35th Dist.
SEN. HERLIHY, 8th Dist.
SEN. KISSEL, 7th Dist.
SEN. MCKINNEY, 28th Dist.
SEN. NICKERSON, 36th Dist.
SEN. RORABACK, 30th Dist.

To: Senate Bill No. 146

File No. 28

Cal. No. 107

**"AN ACT CREATING AN EARNED INCOME CREDIT AGAINST THE
PERSONAL INCOME TAX."**

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Section 12-458 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective from passage*):

5 (a) (1) Each distributor shall, on or before the twenty-fifth day of
6 each month, render a return to the commissioner. Each return shall be
7 signed by the person required to file the return or by his authorized
8 agent but need not be verified by oath. Any return required to be filed
9 by a corporation shall be signed by an officer of such corporation or his
10 authorized agent. Such return shall state the number of gallons of fuel
11 sold or used by him during the preceding calendar month, on forms to

12 be furnished by the commissioner, and shall contain such further
13 information as the commissioner shall prescribe. The commissioner
14 may make public the number of gallons of fuel sold or used by the
15 distributor, as contained in such report, notwithstanding the
16 provisions of section 12-15 or any other section. For purposes of this
17 section, fuel sold shall include but not be limited to the transfer of fuel
18 by a distributor into a receptacle from which fuel is supplied or
19 intended to be supplied to other than such distributor's motor vehicles.

20 (2) On said date and coincident with the filing of such return each
21 distributor shall pay to the commissioner for the account of the
22 purchaser or consumer a tax (A) on each gallon of such fuels sold or
23 used in this state during the preceding calendar month of twenty-six
24 cents on and after January 1, 1992, twenty-eight cents on and after
25 January 1, 1993, twenty-nine cents on and after July 1, 1993, thirty cents
26 on and after January 1, 1994, thirty-one cents on and after July 1, 1994,
27 thirty-two cents on and after January 1, 1995, thirty-three cents on and
28 after July 1, 1995, thirty-four cents on and after October 1, 1995, thirty-
29 five cents on and after January 1, 1996, thirty-six cents on and after
30 April 1, 1996, thirty-seven cents on and after July 1, 1996, thirty-eight
31 cents on and after October 1, 1996, thirty-nine cents on and after
32 January 1, 1997, thirty-six cents on and after July 1, 1997, thirty-two
33 cents on and after July 1, 1998, and twenty-five cents on and after July
34 1, 2000; and (B) in lieu of said taxes, each distributor shall pay a tax on
35 each gallon of gasohol, as defined in section 14-1, sold or used in this
36 state during such preceding calendar month, of twenty-five cents on
37 and after January 1, 1992, twenty-seven cents on and after January 1,
38 1993, twenty-eight cents on and after July 1, 1993, twenty-nine cents on
39 and after January 1, 1994, thirty cents on and after July 1, 1994, thirty-
40 one cents on and after January 1, 1995, thirty-two cents on and after
41 July 1, 1995, thirty-three cents on and after October 1, 1995, thirty-four
42 cents on and after January 1, 1996, thirty-five cents on and after April
43 1, 1996, thirty-six cents on and after July 1, 1996, thirty-seven cents on
44 and after October 1, 1996, thirty-eight cents on and after January 1,
45 1997, thirty-five cents on and after July 1, 1997, thirty-one cents on and

46 after July 1, 1998, and twenty-four cents on and after July 1, 2000, and
47 twenty-five cents on and after July 1, 2004; and (C) in lieu of such rate,
48 on each gallon of diesel fuel, propane or natural gas sold or used in
49 this state during such preceding calendar month, of eighteen cents on
50 and after September 1, 1991, and twenty-six cents on and after August
51 1, 2002.

52 (3) Said tax shall not be payable on such fuel as may have been (A)
53 sold to the United States, (B) sold to a municipality of this state, (i) for
54 use by any contractor performing a service for such municipality in
55 accordance with a contract, provided such fuel is used by such
56 contractor exclusively for the purposes of and in accordance with such
57 contract, or (ii) for use exclusively in a school bus, as defined in section
58 14-275, (C) sold to a municipality of this state, a transit district of this
59 state, or this state, at other than a retail outlet, for governmental
60 purposes and for use in vehicles owned and operated, or leased and
61 operated by such municipality, such transit district or this state, (D)
62 sold to a person licensed as a distributor in this state under section 12-
63 456, (E) transferred from storage within this state to some point
64 without this state, (F) sold to the holder of a permit issued under
65 section 12-458a for sale or use without this state, (G) sold to the holder
66 of a permit issued under subdivision (63) of section 12-412, provided
67 (i) such fuel is not used in motor vehicles registered or required to be
68 registered to operate upon the public highways of this state, unless
69 such fuel is used in motor vehicles registered exclusively for farming
70 purposes, (ii) such fuel is not delivered, upon such sale, to a tank in
71 which such person keeps fuel for personal and farm use, and (iii) a
72 statement, prescribed as to form by the Commissioner of Revenue
73 Services and bearing notice to the effect that false statements made
74 under this section are punishable, that such fuel is used exclusively for
75 farming purposes, is submitted by such person to the distributor, (H)
76 sold exclusively to furnish power for an industrial plant in the actual
77 fabrication of finished products to be sold, or for the fishing industry,
78 (I) sold exclusively for heating purposes, (J) sold exclusively to furnish
79 gas, water, steam or electricity, if delivered to consumers through

80 mains, lines or pipes, (K) sold to the owner or operator of an aircraft, as
81 defined in section 15-34, exclusively for aviation purposes, provided (i)
82 for purposes of this subdivision, "aviation purposes" means for the
83 purpose of powering an aircraft or an aircraft engine, (ii) such fuel is
84 delivered, upon such sale, to a tank in which fuel is kept exclusively
85 for aviation purposes, and (iii) a statement, prescribed as to form by
86 the Commissioner of Revenue Services and bearing notice to the effect
87 that false statements made under this section are punishable, that such
88 fuel is used exclusively for aviation purposes, is submitted by such
89 person to the distributor, (L) sold to a dealer who is licensed under
90 section 12-462 and whose place of business is located upon an
91 established airport within this state, [or] (M) diesel fuel sold
92 exclusively for use in portable power system generators that are larger
93 than one hundred fifty kilowatts, or (N) sold during the period
94 beginning on Monday, May 28, 2007, known as Memorial Day, and
95 ending Monday, September 3, 2007, known as Labor Day.

96 (4) Each distributor, when making a taxable sale, shall furnish to the
97 purchaser an invoice showing the quantities of fuel sold, the
98 classification thereof under the provisions of this chapter and the
99 amount of tax to be paid by the distributor for the account of the
100 purchaser or consumer.

101 (5) If any distributor fails to pay the amount of tax reported to be
102 due on its report within the time specified under the provisions of this
103 section, there shall be imposed a penalty equal to ten per cent of such
104 amount due and unpaid, or fifty dollars, whichever is greater. The tax
105 shall bear interest at the rate of one per cent per month or fraction
106 thereof from the due date of the tax until the date of payment.

107 (6) If no return has been filed within three months after the time
108 specified under the provisions of this chapter, the commissioner may
109 make such return at any time thereafter, according to the best
110 information obtainable and the form prescribed. There shall be added
111 to the tax imposed upon the basis of such return an amount equal to
112 ten per cent of such tax, or fifty dollars, whichever is greater. The tax

113 shall bear interest at the rate of one per cent per month or fraction
114 thereof from the due date of such tax to the date of payment.

115 (7) Subject to the provisions of section 12-3a, the commissioner may
116 waive all or part of the penalties provided under this chapter when it
117 is proven to his satisfaction that the failure to pay any tax was due to
118 reasonable cause and was not intentional or due to neglect.

119 (8) A distributor who is exclusively making sales of fuel on which
120 the tax imposed by this chapter is not payable may be permitted, as
121 specified in regulations adopted in accordance with the provisions of
122 chapter 54, to file reports less frequently than monthly but not less
123 frequently than annually if the commissioner determines that
124 enforcement of this section would not be adversely affected by less
125 frequent filings. Distributors permitted to file such reports shall
126 maintain records that shall detail (A) the persons from whom the fuel
127 was purchased, (B) the persons to whom, the quantities in which and
128 the dates on which such fuel was sold, and (C) any other information
129 deemed necessary by the commissioner.

130 (b) The commissioner shall, within three years after the due date for
131 the filing of a return or, in the case of a completed return filed after
132 such due date, within three years after the date of which such return
133 was received by him, examine it and, in case any error is disclosed by
134 such examination, shall, within thirty days after such disclosure, notify
135 the taxpayer thereof. When it appears that any part of the deficiency
136 for which a deficiency assessment is made is due to negligence or
137 intentional disregard of the provisions of this chapter or regulations
138 promulgated thereunder, there shall be imposed a penalty equal to ten
139 per cent of the amount of such deficiency assessment, or fifty dollars,
140 whichever is greater. When it appears that any part of the deficiency
141 for which a deficiency assessment is made is due to fraud or intent to
142 evade the provisions of this chapter or regulations promulgated
143 thereunder, there shall be imposed a penalty equal to twenty-five per
144 cent of the amount of such deficiency assessment. No taxpayer shall be
145 subject to more than one penalty under this subsection in relation to

146 the same tax period. Within thirty days of the mailing of such notice,
147 the taxpayer shall pay to the commissioner, in cash or by check, draft
148 or money order drawn to the order of the Commissioner of Revenue
149 Services, any additional amount of tax shown to be due by the
150 corrected return or shall be paid by the State Treasurer, upon order of
151 the Comptroller, any amount shown to be due such taxpayer by such
152 corrected return. The failure of such taxpayer to receive any notice
153 required by this section shall not relieve such taxpayer of the
154 obligation to pay the tax or any interest or penalties thereon. When,
155 before the expiration of the time prescribed in this section for the
156 examination of the return or the assessment of said tax, both the
157 commissioner and such taxpayer have consented in writing to such
158 examination or assessment after such time, the return may be
159 examined and said tax may be assessed at any time prior to the
160 expiration of the period agreed upon. The period so agreed upon may
161 be extended by subsequent agreements in writing made before the
162 expiration of the period previously agreed upon. The commissioner
163 may also in such a case waive the statute of limitations against a claim
164 for refund by such taxpayer. To any taxes which are assessed under
165 this subsection, there shall be added interest at the rate of one per cent
166 per month or fraction thereof from the date when the original tax
167 became due and payable.

168 (c) Any person who owns or operates a vehicle which runs only
169 upon rails or tracks which is properly registered with the federal
170 government, in accordance with the provisions of Section 4222 of the
171 Internal Revenue Code of 1986, or any subsequent corresponding
172 internal revenue code of the United States, as from time to time
173 amended, shall be exempt from paying to a distributor the motor fuels
174 tax imposed pursuant to section 12-458 for use in such vehicle.

175 Sec. 502. (*Effective from passage*) The Comptroller shall transfer one
176 hundred twenty-four million seven hundred thousand dollars from
177 the General Fund to the Special Transportation Fund for the fiscal year
178 ending June 30, 2007, of which forty-one million seven hundred
179 thousand dollars shall be deposited into the Special Transportation

180 Fund for the fiscal year ending June 30, 2007, and eighty-three million
181 dollars shall be deemed deposited into the Special Transportation
182 Fund for the fiscal year ending June 30, 2008."